Newsletter:

Operation of Buy and Sale Gold Business through Electronic Platform

In Brief

As gold trading in Laos becomes increasingly active and gold prices continue to rise, the Ministry of Industry and Commerce has issued regulations for operators engaged in buying and selling gold through ecteronic platforms in the Lao PDR The regulation, titled Minitrial's Decision on Operation of Buy and Sale Gold Business through Electronic Platforms No. 0666/ IC, dated 22 April 2025"will come into effect within 45 days of its signing.[1]

Key Takeaways

A. Purposes

This regulation established the principles, procedures, and measures governing the supervision, monitoring, and inspection of electronic gold trading services. Its objective is to ensure that such business operations are conducted in accordance with the law and relevant regulations, while safeguarding the legitimate rights and interests of gold buyers and sellers using electronic platforms. Furthermore, it contributes to the socio-economic development of the nation.

B. Terms

1) **Electronic Gold Trading:** Refers to gold trading transactions conducted via electronic platforms, including websites and applications.
2) **Gold:** Refers to bullion and ornamental gold with purity of 99.99%. This definition excludes international-standard bullion used as a means of international settlement (in accordance with the regulations of the Bank of the Lao PDR and the London Bullion Market Association – (LBMA)) as well as raw gold ore.

C. Requirements

Electronic Gold Trading Service Provider: Refers to a legal entity that owns electronic platforms, such as websites or applications, to facilitate gold trading. This includes commercial and gold banks that have obtained the required license to operate electronic gold trading services under the provisions of this regulation.

Applicants seeking a license to operate a gold buying and selling business through ecteronic platforms in the Lao PDR must meet the following conditions:

1) Be Lao nationals with permanent residence in the Lao PDR;
2) Have at least 1 (one) manager per business, with a minimum of 5 (five) years of experience in gold trading operations within the Lao PDR;
3) Have a registered capital of at least 30 billion Lao Kip (Thirty Billion Lao Kip);
4) Obtain a business license for trading valuable items from the Department of Domestic Trade, Ministry of Industry and Commerce;
5) Be members of the Lao Gold, Jewelry, and Gemstone Association;
6) Have Lao Kip Currency bank accounts with commercial banks in the Lao PDR;
7) Be officially recognized for conducting electronic commerce by the Department of Domestic Trade, Ministry of Industry and Commerce;
8) Obtain technical standard certification for the applicable website(s) or application(s) from the Ministry of Technology and Communications;
9) Provide collateral as specified in the regulation.

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About us

ILAW LAOS CO., LTD. ("The Firm") is a prominent law firm in Laos, established in January 2021 and registered with the Ministry of Commerce under the enterprise number 01-00024891. The Firm is located at Vientiane, and was founded by Somphob Rodboon, Managing Partner. The Firm is a branch office of its parent company, ILAWASIA CO., LTD., which has been based in Bangkok, Thailand for over a decade.

Our partners and local attorneys were recently recognized and listed in the Asia-Pacific Legal 500 series and recently, the firm recognized as 'Leading Firms (Tier 2)' in the Legal 500 rankings during 2024 to 2025. Moreover, also recognized by AsiaLaw as 'Notable Firms' for the General Business Area during 2023 to 2024.

The firm is specializing in various legal services to meet the needs of both domestic and international clients. Our expertise spans across intellectual property, corporate and commercial law, and labour law.

D. Collateral Requirements

Applicants seeking to apply for a license to operate electronic gold trading services must provide collateral of at least 100 billion Lao Kip (One Hundred Billion Lao Kip) deposited with a commercial bank. For commercial banks, financial institutions, and gold banks intending to operate electronic gold trading services, the collateral must be deposited with a separate commercial bank.

The collateral amount must be re-evaluated every 6 (Six) months to ensure it aligns with economic growth and the demands of buyers and sellers on electronic platforms.

The collateral shall not be withdrawn, transferred, or used for any other transactions unless the operator fully complies with the conditions.

Conditions for Withdrawal of Collateral:
Operators of electronic gold trading services may withdraw the collateral by voluntarily requesting to revoke the license; however, they must transfer all remaining gold to customers, settle all debts related to the business, and complete the procedures within 90 days of the request.

However, an operator is not entitled to withdraw the collateral in following cases:

- If the Department of Domestic Trade finds that an operator is experiencing operational difficulties and cannot complete obligations such as transferring assets or making payments.
- In the event of a court ruling that decides an operator is unable to fulfill the obligations, the operator is required to withdraw the collateral to settle debts, as per the court's decision.

E. Licensing for Electronic Gold Trading Service

The license to operate electronic gold trading services is valid for two (2) years and is renewable.

Operators wishing to renew their license must submit a renewal application to the Department of Domestic Trade at least 30 (thirty) days before the license's expiration date and must include the required documents along with the following additional documents:

- The original (current) license to operate electronic gold trading services;
- A certificate of annual tax compliance.

F. Timeframe

The Department of Domestic Trade must consider and issue the license to operate electronic gold trading services within 15 (fifteen) official working days from the date the documents are received.

In the event that the documents are incorrect or incomplete, the Department of Domestic Trade must notify the applicant in writing within 5 (five) official working days so that the applicant can make the necessary corrections.

If the Department of Domestic Trade is unable to issue the license to operate electronic gold trading services, it must provide a written explanation to the applicant within 15 (fifteen) official working days from the date the documents are received.

References

[1] Minitrial's Decision on Operation of Buying and Selling Gold Business through Electronic Platform No.0666.IC dated 22 April 2025., Article 29.
[2] Ibid., Article 2.
[3] Ibid., Article 3(1).
[4] Ibid., Article 3(2).
[5] Ibid., Article 5.
[6] Ibid., Article 3(3).
[7] Ibid., Article 11.
[8] Ibid., Article 12.
[9] Ibid., Article 8.
[10] Ibid., Article 7.

Remark: Please note that this document is for informational purposes only and does not constitute legal advice. Prospective founders are encouraged to consult with a qualified attorney for personalized legal guidance.